

**Amendment to the Specification:**

Please replace the paragraph beginning at page 5, line 15, with the following amended paragraph:

--Figure 5 shows the differential use of developing limb regions to enrich myogenic or chondrogenic precursor populations. In cells isolated from the distal tip of the limb bud there is considerably higher basal activity of the pGL3(4X48) reporter (A), reflecting a greater proportion of chondroprogenitors in this region. In contrast, muscle-specific reporters such as pGL3-myogenin-Luc, pGL2-E4-Luc, and pGL3-c-actin-Luc (B) have a much higher activity in cells from the proximal region of the limb bud due to the presence of more myogenic precursors. The differences in chondrogenic and myogenic populations between proxial and distal cultures is revealed by the presence of greater alcian blue-positive cartilage nodules in the distal cultures (C) compared to the proximal cultures (D), and by a greater number of MyHc-positive myocytes in proximal cultures (F) compared to distal cultures (E). Bars: (C, D) 2.0 mm; (E, F) 1.2 mm. (Student's *t*-tests: \*P<.01. \*\*P<.05).--